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9 UNITED STATES BANKRUPTCY COURT
10 CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION
11

12 In re
13 NORTHERN HOLDING, LLC,
14
15 Debtor.
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Case No. 8:20-bk-13014-MW

Chapter 7

ORDER GRANTING CHAPTER 7
TRUSTEE'S MOTION TO APPROVE
FARM OPERATOR AGREEMENT
AND FOR ORDER TO OPERATE
DEBTOR'S BUSINESS FOR THE
LIMITED PURPOSE OF
COMPLETING FALL 2021 HARVEST
OF CURRENT CROP OF FRUIT

- EXHIBIT ATTACHED
(SIGNATURE PAGE)

Hearing:

Date: August 30, 2021

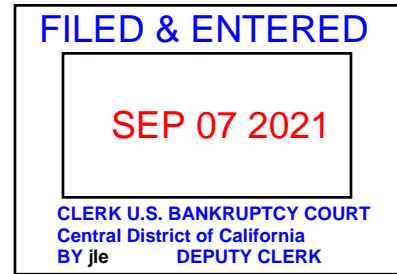
Time: 2:00 p.m.

Place: Courtroom 6C¹

411 W. Fourth Street
Santa Ana, CA 92701

23 On August 30, 2021, at 2:00 p.m., the unopposed motion (the "Motion") for entry of an
24 order approving motion to approve a farm operator agreement and for an order authorizing the
25 Trustee to operate the Debtor's business for the limited period of time and for the sole purpose
26 of completing the harvest of the current crop of fruit growing on Debtor's land, filed by
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¹ Effective as of July 19, 2021, in-person hearing appearances are allowed before Judge
Wallace. Otherwise, telephonic appearances are permitted pursuant to the Court's procedures.



1 Richard A. Marshack, in his capacity as Chapter 7 Trustee (“Trustee”) of the Bankruptcy
2 Estate (“Estate”) of Northern Holding, LLC (“Debtor”), on August 9, 2021, as Dk. No. 186,
3 was heard before the Honorable Mark S. Wallace, United States Bankruptcy Judge. No
4 opposition to the Motion was filed. At the hearing, Tinho Mang appeared on behalf of the
5 Trustee. Reed S. Waddell appeared on behalf of Farm Credit West, FCLA (“FCW”), and the
6 stipulated terms for the use of cash collateral were read into the record and confirmed by
7 FCW. For the reasons set forth in the Motion, and stated on the record, the Court enters its
8 order as follows:

9 IT IS ORDERED that:

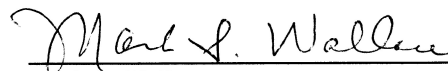
- 10 1. The Motion is granted;
- 11 2. The farm operator agreement attached to the Motion as Exhibit “1” is approved;
- 12 3. The Trustee is authorized to operate the Debtor’s business through Leroy
13 Coddling for the limited purpose of completing the Fall 2021 harvest pursuant to 11 U.S.C. §
14 721 to the extent necessary to complete the fall 2021 harvest, with such authorization to
15 terminate at the earliest of: (a) the completion of the fall 2021 harvest; or (b) October 31, 2021;
- 16 4. Trustee is authorized to cancel all currently existing grape sales agreements and
17 to renegotiate all such agreements, including entering into and executing any reasonably
18 prudent subsequent grape sales agreements without further order of the Court;
- 19 5. The proceeds of all sales of agricultural products (“Crop”) grown on: (1) 2380
20 Live Oak Road, Paso Robles, CA; (2) 1172 San Marcos Road, Paso Robles, CA; and (3) APN
21 027-145-022 (collectively, the “Properties”) shall be paid directly to the Estate and the Trustee
22 is authorized to receive and hold all gross proceeds of the sale of any Crop from the Properties
23 to be disbursed as stated below without further order of the Court;
- 24 6. As FCW has consented to such use, Trustee is authorized to, upon receipt of
25 proceeds from the sale of Crop, use cash collateral to pay and reimburse actual and reasonable
26 expenses incurred for harvesting and selling the crops. As stated on the record, the following
27 stipulated provisions are approved:

28 //

- a. All Crops constitute the collateral of FCW and all proceeds of the sale of Crops constitutes FCW's cash collateral;
- b. Pursuant to the consent of FCW, the Trustee may pay and use FCW's cash collateral for the following line items ONLY:
 - i. Reasonable reimbursement of farming expenses incurred and actually paid by the Trustee's operator but in no event shall expense reimbursements exceed \$400,000;
 - ii. All professional expenses of the Trustee reasonably related to the farming operations of the Debtor, including attorneys' fees, the Trustee's compensation pursuant to 11 U.S.C. § 326, and the proposed 5% compensation for the Operator, which amounts shall be segregated by the Trustee and held pending final approval of compensation;
 - iii. 50% of all net proceeds over and above the reimbursements listed in paragraphs 6(b)(i)-(ii) may be held by the Trustee as a reserve for the Estate to pay any other unsecured creditor;
 - iv. The remaining 50% of net proceeds shall be immediately remitted to FCW without further court order.

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Date: September 7, 2021


Mark S. Wallace
United States Bankruptcy Judge

1 SIGNATURE PAGE TO ORDER GRANTING CHAPTER 7 TRUSTEE'S MOTION TO
2 APPROVE FARM OPERATOR AGREEMENT AND FOR ORDER TO OPERATE DEBTOR'S
3 BUSINESS FOR THE LIMITED PURPOSE OF COMPLETING FALL 2021 HARVEST OF
4 CURRENT CROP OF FRUIT

5 Approved as to Form:

6 FRANDZEL ROBINS BLOOM &
7 CSATO, L.C.

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9 REED S. WADDELL, Counsel for
10 FARM CREDIT WEST, FLCA
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Approved as to Form:

FRANDZEL ROBINS BLOOM &
CSATO, L.C.

[See attached signature page]

REED S. WADDELL, Counsel for
FARM CREDIT WEST, FLCA